



TOWN OF PITTSBORO

The Pittsboro Board of Commissioners met for a Budget Retreat on **Thursday, April 7, 2022** at 8:45am in the meeting room at the Chatham County Agriculture and Conference Center.

ELECTED TOWN OFFICIALS PRESENT: Mayor Cindy S. Perry, Mayor Pro Tem Pamela Baldwin, Commissioner John Bonitz, Commissioner Jay Farrell, Commissioner Kyle Shipp, and Commissioner James Vose.

TOWN STAFF PRESENT: Town Manager Chris Kennedy, Finance Director Heather Meacham, Chief of Police Shorty Johnson, Fire Chief Daryl Griffin, Public Utility Director Adam Pickett, Planning Director Theresa Thompson, Public Information Officer/Emergency Manager Colby Sawyer, Parks & Recreation Planner Katy Keller, Director of Engineering Kent Jackson.

Budget Notes for the Proposed Budget: General Fund

1. The proposed Fiscal Year 2022-23 budget includes a slight tax rate increase with an adjustment of the current tax rate of 0.4333 per \$100 of valuation to a proposed tax rate of 0.44 per \$100 of valuation.
 - a. This rounding up of the tax rate will generate an extra \$52,088 in revenue that will be used to pay for the Town's ongoing annual debt service payment to the Pittsboro Fire Department for a new ladder truck apparatus.
2. The Town is expecting a 97.5% collection rate of ad valorem taxes and expects one (1) penny to generate \$85,353.00, up from the one (1) penny generation of \$76,372 in current Fiscal Year 2021-22.
3. Balance Status
 - a. Current Proposed Expense: \$9,071,616 (+24.6% compared to FY 2021-22 Budget) – Without Fund Balance Appropriation as currently proposed FY 2022-23 expense is +3.3% compared to FY 2021-22 Budget
 - b. Current Proposed Revenue: \$9,071,616
4. Employee Expense
 - a. COLA – 7.5% Increase to All Employees, the Mayor, and Board of Commissioners
 - b. Individual Market Adjustments have also been applied to specific employee salaries due to market competition.
 - c. LGERS Employer Contribution Rate Stabilization Policy (ECRSP) will increase to 12.10% of pay for employees, up from 11.35% in FY 2021-22. For Law Enforcement Officers (LEOs) the increase is 13.10%, up from 12.10% in FY 2021- 22.



- d. Training and Travel budgets have generally increased as we seek to hire, train, and retain a high-quality staff. The addition of employees, a desire for our staff to perpetually continue with their skill and job training, and the return to in-person training has resulted in an increase in expense.

5. New Requests

- a. Employees
 - i. Recreation Coordinator (July 1, 2022 Hire)
 - ii. Parks Maintenance Superintendent (July 1, 2022 Hire)
- b. Equipment / Vehicles / Projects in Operating
 - i. Three (3) Police Interceptor Replacements- \$190,000
 - ii. Split Costs for Knight Farm Park Maintenance - \$50,000
 - iii. Paving Projects (Kensington Road and Misc. Patching) - \$125,000
 - iv. Truck Replacement in Public Works - \$50,000
 - v. Recreation Coordinator Vehicle - \$40,000
 - vi. Parks Maintenance Superintendent Vehicle - \$50,000

Park & Recreation Planner Katy Keller shared an overview of prioritization of upkeeping/replacing park structures and resurfacing courts. Keller stated that playground inspections will happen annually to assess the areas of concern for replacement and safety. Keller shared the vision of utilizing parks for team bases recreation and rental of fields to offset costs in the Parks & Recreation Department.

Town Manger Kennedy and Board members discussed future expenditures of vehicles chosen to be gas powered, hybrid or electrical. Discussion also took place with older vehicles that are being surplusd.

6. Transfer to Capital Project Funds (CPF)

- a. Total: \$1,230,353
 - i. Fund 840 Sidewalks and Greenways - \$220,000
 - 1. NCDOT TAP Funding Match – \$10,000
 - 2. Pittsboro Elementary School TARPO Sidewalk - \$210,000
 - ii. Fund 850 Affordable Housing - \$85,353 Transfer from AFB Equivalent to 1 Penny - \$85,353
 - iii. Fund 860 Police Station - \$100,000
 - 1. Police Station Space Needs and Planning Study and Capital Reserve - \$100,000
 - iv. Fund 870 Buildings and Grounds - \$50,000
 - 1. Public Works Space Needs and Planning Study and Capital Reserve - \$50,000
 - v. Fund 990 Parks and Recreation - \$775,000
 - 1. Lewis Freeman Park Phase 2 - \$50,000
 - 2. Playground Improvements - \$100,000



- 3. Tennis Courts Reconstruction - \$125,000
- 4. Community House Restoration and ADA Improvements - \$500,000

7. Pittsboro Fire

- a. The Pittsboro Fire Department is requesting a 12% increase to its overall operating expense. In FY 2020-21, the operating expense portion of the Fire budget requested of the Town of Pittsboro was equal to \$487,989. In our current fiscal year, FY 2021-22, the Town was requested to contribute \$975,796, or an 100% increase year to year compared. For FY 2022-23, Pittsboro Fire is requesting \$1,090,468 from the Town, again, a 12% increase year to year compared.
- b. In addition to the operating expense request, the Pittsboro Fire is requesting the first debt service payment for the new ladder truck apparatus equal to \$51,000.
- c. Pittsboro Fire is requesting a tax rate of 12.65%.
 - i. Please note that the Town and Pittsboro Fire have different assumptions on the value of one (1) penny of tax. Pittsboro Fire considers one (1) penny to equal \$86,203 while the Town consider one (1) penny to equal \$85,353.

Fire Chief Daryl Griffin shared additional staff will be requested in the budget year 2023-2024. Griffin stated that surrounding municipalities are funding their staff at a higher salary in the amount of ten to fifteen thousand dollars more than the salary rate for the Town of Pittsboro Fire Department employees. Griffin shared there will be a need for an additional fire station, dependent on the growth of Chatham Park and felt that would be within the next five years.

8. GFL Sanitation Contract

- a. Will have a new contract for FY 2022-23 – Cost TBD. Staff is estimating a 4.2% increase to our current contract costs if the contracted services remain the same as today. Staff has requested prices on updated services from GFL and anticipates having this information prior to the budget public hearings.

Town Manager Kennedy shared the current two-year contract is up for renewal and there are ongoing contract negotiations with the potential to increase recycling to meet the needs of residents. Options that are being investigated are increasing the recycling cart size from 66 to 96 gallons and potentially adding a yard debris cart to assist in efficiency of staff.

9. Department Budget 6300

- a. Removal of Department Budget 6300 Chatham Park. This budget was previously programmed into the annual operating budget for the Town to account for Chatham Park-related Town expenses as part of an agreement with Chatham Park Investors. This agreement established a financial contribution of \$300k annually as a means to allow the Town to escalate its staffing to handle the expected growth from the Chatham Park development. The agreement specified that Chatham Park Investors would pay at least \$300k to the Town, either by tax burden or cash payment with the cash payment diminishing commensurate with each annual increase of tax burden. The tax burden of



Chatham Park related development property now exceeds \$300k, so this independent accounting is no longer necessary and is thereby proposed to be removed from the FY 2022-23 budget ordinance.

10. Department Budget 6400

a. Formerly known as “Main Street/Downtown”; this budget is being re-titled “Downtown”. The Town’s Main Street affiliate program will remain, but it will return to a Town-operated departmental budget. The renaming of this department is to assist in the understanding that the agreement with the 501(c)(3) entity that was contracted to operate the Town’s Main Street program is now null and void. The expenses shown in this departmental budget will remain with the Town and be managed like other Town departments.

Enterprise Fund

1. The proposed Fiscal Year 2022-2023 budget includes a 20% increase to both water and wastewater rates, inclusive of both availability and consumption charges. This 20% includes a 4.2% increase pursuant to the Federal Bureau of Labor Statistics CPI-U for February 2021 – February 2022 for Water and Sewerage Maintenance. The remainder of the proposed rate increases is to cover our escalated costs in materials, supplies, employee expense, and to recuperate our available retained earnings balance that has been dramatically affected with cash draws to pay for the advanced treatment projects at our water treatment plant.

- a. One percent (1%) on the water rate generates: \$24,480
- b. One percent (1%) on the wastewater rate generates: \$17,760

2. Balance Status

- a. Current Proposed Expense: \$5,974,961 (-10.4% compared to FY 2021-22 Budget)
- b. Current Proposed Revenue: \$6,768,381
 - i. Plan to Transfer \$793,420 to Retained Earnings (which will balance expense with revenue)

3. Employee Expense

- a. COLA – 7.5% Increase to All Employees
- b. Individual Market Adjustments have also been applied to specific employee salaries due to market competition.
- c. LGERS Employer Contribution Rate Stabilization Policy (ECRSP) will increase to 12.10% of pay for employees, up from 11.35% in FY 2021-22.
- d. Training and Travel budgets have generally increased as we seek to hire, train, and retain a high-quality staff. The addition of employees, a desire for our staff to perpetually continue with their skill and job training, and the return to in-person training has resulted in an increase in expense.

Commissioner Shipp requested if the salary study had been received by the Town. Town Manager Kennedy shared that it was received and is awaiting a meeting to see how the comparison relates to the employees of the Town.

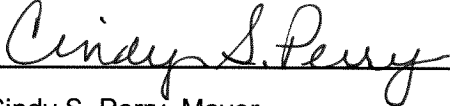
4. New Requests



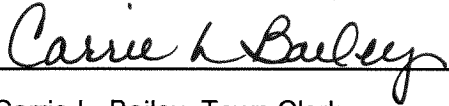
- a. Employees
 - i. Meter Reader (January 1, 2023 Hire)
 - ii. Utility Account Specialist (July 1, 2022 Hire)
 - b. Equipment / Vehicles / Projects in Operating
 - i. Meter Reader Vehicle - \$40,000
5. Transfer to Capital Project Funds (CPF)
- a. Total: \$533,705
 - i. Fund 550 Water Plant Improvements - \$383,705
 - 1. Jordan Lake Allocation – \$12,000
 - 2. Western Intake Partnership - \$371,705
 - ii. Fund 560 Water Extensions and Maintenance - \$75,000
 - 1. Miscellaneous Pipe Replacement/Betterments (Water) - \$75,000
 - iii. Fund 570 Sewer Extensions and Maintenance - \$75,000
 - 1. 1. Miscellaneous Pipe Replacement/Betterments (Wastewater) - \$75,000

Town Manager Kennedy overviewed the budget for the Mayor, Board of Commissioners and staff. Questions and discussion between the Commissioners relating to speed bumps, traffic signage, concerns of sewer and water fees and penalties related to Town customers, proposed rate increase, electric vehicles, future land use plan revisions, programming expenses, and housing ordinances.

This Budget Retreat version will be reviewed, amended, and refined during and following the Board of Commissioners Budget Retreat leading up to the public hearings for the Fiscal Year 2022-23 budget. The remaining budget schedule includes two public hearings, the first on April 25, 2022 and the second on May 9, 2022, both scheduled to be held during the Board of Commissioners Regular Meeting on those respective dates. The anticipated date of adoption for the Fiscal Year 2022-23 budget is set for May 23, 2022, also during the Board of Commissioners Regular Meeting.


Cindy S. Perry, Mayor

ATTEST:


Carrie L. Bailey, Town Clerk

